

Probe of Ohio GOP Cost FBI Man Job

By Jack Anderson

A crack, young FBI agent, who had been awarded bonuses for his bravery and skill, was fired after he began to zero in on a criminal fraud case involving Republican bigwigs.

If the case had gone its natural course, it might have given Ohio Republicans an embarrassing scandal on the eve of the 1972 election. Ohio is also one of the electoral plums that President Nixon was concentrating on winning.

When the agent took his mistreatment to court a few months ago, the Nixon-appointed judge made the unusual decision to lock up all the records. However, we have obtained the file from other sources.

The suppressed papers include a sworn statement from the agent, William Higgins, that he was ordered by his superior in Cleveland to destroy a summary of the case. A similar incident helped force the resignation of former FBI chief L. Patrick Gray III, who burned vital Watergate evidence.

When Higgins tried to tell FBI headquarters about the looming scandal, according to his affidavit, the No. 2 agent in the Cleveland office, Dwight Wells, ordered him to "destroy" a sum-

mary he planned to send to Washington.

Since destruction of documents is a serious breach of FBI regulations, Higgins states he refused to obey the order and instead kept the report for future reference. Wells insists he never gave Higgins any such order, although he concedes in an affidavit that the FBI ordered Higgins to stop his investigation.

The summary that Higgins allegedly was ordered to destroy and supporting documents describe in detail how wealthy Republicans planned to loot a bank. One of the alleged principals was Lloyd Sahley, a far-traveling entrepreneur who headed the bankrupted Midwestern Securities Corp.

The documents claim that Sahley was linked through securities holdings with S. Mort Zimmerman, who allegedly has dealt in stolen securities with the Mafia. He also was a business associate of Nixon fundraiser Fred LaRue.

Two prominent Ohio Republicans, whose names we will omit until the charges against them can be nailed down tighter, were involved in Sahley's financial empire, according to the documents. A well-known judge, the documents also sug-

gest, had a serious conflict of interest in the case.

The timing is significant. Agent Higgins was ordered to break off his investigation in June, 1972, just as Ohio Republicans were cranking up for the election campaign. Pat Gray himself, as acting FBI director, ratified the order, saying the Higgins case was not "prosecutable" and "did not warrant further investigation."

Yet after the election, the key figure in the case, Lloyd Sahley, was indicted on some of the precise matters raised by the Higgins investigation. Other serious allegations remain unexplored since Higgins was pulled off the case.

Higgins, meanwhile, became involved in an unrelated altercation with another agent and an auto accident. The FBI used these incidents, plus the charge that he continued to investigate the Ohio case against orders, to drive him out of the FBI. First he was ordered to give up his gun; later he was fired outright.

This was Higgins' reward for pressing an investigation against powerful Republicans during election time. Forgotten were the 12 commendations and awards he had received from FBI director J. Edgar Hoover

and Pat Gray. Higgins was out in the cold, left with endless appeals to the Civil Service and the courts.

When he laid part of the complex case before U. S. District Court Judge Vincent Biunno of Newark, N.J., the judge took one look at the explosive documents and locked them up. Biunno stoutly refused to comment on why he suppressed the records, although his friends insist he didn't recall seeing any mention of the high Republicans.

There is one final irony. William Higgins happens to be a devoted Republican, whose investigation was totally nonpartisan. Indeed, he voted for Richard Nixon's law-and-order candidacy in 1972.

Footnote: In answer to our queries, the FBI stated: "The FBI looked into the allegations of Higgins and his allegations are unfounded. In view of the court order under which we are presently operating and the pending Civil Service Commission hearing scheduled for New York City on Jan. 15, it will not be possible for us to comment further at this time." Zimmerman, when we reached him, vigorously denied any Mafia connections. Sahley could not be contacted.